

LWVWI Statement in Opposition to AB 1

AB 1 proposes to replace Wisconsin's current progressive income tax structure with a flat tax. Tax rates for each of the current four tax brackets would be adjusted downward annually from 2023 to 2025. The brackets would be replaced with a single flat tax rate of 3.25% for 2026 and beyond.

The League of Women Voters opposes AB 1. This opposition is based on policy positions of the League of Women Voters of the US and the League of Women Voters of Wisconsin that "express support for income tax systems that are progressive in nature" and "based on ability to pay".

A flat tax is regressive, not progressive. Regressive taxes disproportionately impact lower income individuals and shift more of the overall tax burden from higher income individuals to lower income individuals.

A flat tax of 3.25% will also greatly reduce the amount of general purpose tax revenue to the State of Wisconsin. Lower revenues would reduce the State's ability to fund vital services such as public education and could negatively impact the State's ability to meet its debt service obligations.